



**NATIONAL ESTUARY PROGRAM  
FY 2015 and FY 2016 CLEAN WATER ACT §320  
FUNDING GUIDANCE FOR NATIONAL ESTUARY  
PROGRAM DIRECTORS**

# National Estuary Program FY 2015 and FY 2016 Clean Water Act §320 Funding Guidance

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## I. Introduction

The purpose of this document is to transmit U.S. Environmental Protection Agency (EPA) FY 2015 and FY 2016 annual work plan guidance, reporting requirements, and major assistance agreement policies to the 28 National Estuary Programs (NEPs), which are funded by EPA through Clean Water Act (CWA) §320 grants and cooperative agreements. Unlike previous Funding Guidances, this Guidance:

- highlights Office of Water (OW) strategic plan priorities on which this Guidance is based; and
- describes the processes for Comprehensive Conservation and Management Plan (CCMP) revisions and updates.

## II. EPA's 2014-2018 Strategic Plan and Relevant Office of Water (OW) Elements

EPA's *FY 2014-2018 Strategic Plan* charts a course for the agency through FY 2018 and is organized around five key goals:

- Taking Action on Climate Change and Improving Air Quality;
- Protecting America's Waters;
- Cleaning Up Our Communities and Advancing Sustainable Development;
- Ensuring the Safety of Chemicals and Preventing Pollution; and
- Enforcing Environmental Laws.

The OW *FY 2014 National Water Program Guidance (OW Guidance)* and *FY 2015 Addendum* are directly tied to the Protecting America's Waters goal. One element of the *OW Guidance* states that:

"EPA will continue to build the capacity within the National Estuary Program to adapt to changes from climate change on the coasts, and will provide additional assistance to individual NEPs to support their work to develop adaptation plans for their study areas or technical assistance to support implementation of those plans.<sup>1</sup>"

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<sup>1</sup> [http://water.epa.gov/aboutow/goals\\_objectives/goals.cfm](http://water.epa.gov/aboutow/goals_objectives/goals.cfm), p. 53.

### III. Management Conference-Approved FY 2015 and FY 2016 Work Plan Content

Figure 1: FY 2015 and FY 2016 Work Plan Deadlines<sup>2</sup>

Deliverable	Due Date	Recipients
Electronic Copy of Complete SF 424 FY 2015 Application, including Management Conference-Approved Work Plan	On or before Monday, June 1, 2015	1. NEP Regional Coordinator 2. NEP Headquarters Coordinator 3. Chief, Coastal Management Branch
Electronic Copy of Complete SF 424 FY 2016 Application, including Management Conference-Approved Work Plan	On or before Wednesday, June 1, 2016	1. NEP Regional Coordinator 2. NEP Headquarters Coordinator 3. Chief, Coastal Management Branch

#### A. Elements of a Work Plan

- 1. CCMP Goals: Provide a statement indicating which CCMP goals your NEP will focus on in the coming year.**
- 2. Budget and Staff Elements**
  - Provide a budget breakdown of proposed work plan expenditures, including match. See **Appendix 1** for additional information about the 50 percent match requirement.
  - Provide a list of NEP staff and their official responsibilities.
  - Provide cost-share information. Cost-share can be in the form of cash or in-kind contributions or services. See **Appendix 1** for additional information and caveats about cost-share.
- 3. New and Ongoing Project Information: Provide the following information for each proposed new and ongoing project.** The work plan may provide the required information in either the same format described in the NEP FY 2012 – FY 2013 Funding Guidance or in an NEP’s own preferred format. Please note: information about proposed new or ongoing projects should be easily distinguishable from information reported about major completed projects.
  - Project/activity **Name**; indicate whether it is a “**New**” or “**Ongoing**” project.
  - Project/activity **Objective(s)**; describe in one or more sentences; example: “The objectives are to restore twenty acres of coastal wetland habitat and to reduce nonpoint source runoff.”
  - Project/activity **Description**; describe in one or more sentences; example: “This project will engage multiple partners in the restoration of wetlands that formerly served as habitat for several endangered bird species and helped filter storm water runoff from a

<sup>2</sup> Regional Offices can choose to negotiate with their NEPs an earlier due date for submission of the Complete SF 424.

nearby road.”

- **Partners and Their Role(s)** (if available); example: “The State Department of Natural Resources.”
- **Outputs/Deliverables**; example: “The deliverable will be ten workshops for the public to educate them about the value of restored habitat.”
- **Estimated Milestones**, where appropriate; example: “Within three months of project start date, all partners will have been identified.”
- **Estimated Budget**; example: “Total budget is estimated at \$20,000.”
- **Long-term Outcomes**; example: “An increase in the number of high-value habitat acres is expected to result in a 50 percent increase in native X and Y populations in the sub-watershed. The increase will also restore water quality in local stream to 1980 condition.”
- If applicable, the **CWA core program(s) the project supports**<sup>3</sup>; example: “addressing diffuse, nonpoint sources of pollution.”

#### 4. Areas of Special Interest

- To the extent your NEP engages in **nutrient management and control activities**, you are encouraged to expand on those efforts in FY 2015 and FY 2016 work plans to help achieve larger reductions in excess nutrients within your study area than has been achieved thus far. Project descriptions should include the expected environmental outputs and outcomes of specific NEP nutrient-reduction efforts.
- **Climate resilience**  
Federal agency and EPA-specific policies now direct<sup>4</sup> EPA programs like the National Estuary Program to promote smarter, more climate-resilient Federal investments in the face of increased risks from any of the seven classes of climate change stressors— (1) warmer summers, (2) warmer winters, (3) warmer waters, (4) increasing drought, (5) increasing storminess, (6) sea level rise, and (7) ocean acidification. EPA’s National Estuary Program will implement those climate-resilience policies by encouraging NEPs to undertake efforts to make their CCMPs climate resilient, i.e., to help ensure that CCMPs will be able to provide their intended protection and restoration benefits through time regardless of what National Climate Assessment data<sup>5</sup> reasonably project

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<sup>3</sup> CWA core programs are: (1) establishing water quality standards, (2) identifying polluted waters and developing plans to restore them (total maximum daily loads), (3) permitting discharges of pollutants from point sources (National Pollutant Discharge Elimination System permits), (4) addressing diffuse, nonpoint sources of pollution, (5) protecting wetlands, (6) protecting coastal waters through the National Estuary Program, and (7) protecting Large Aquatic Ecosystems.

<sup>4</sup> <http://www.whitehouse.gov/the-press-office/2013/11/01/executive-order-preparing-united-states-impacts-climate-change>, and June 26, 2014 U.S. Environmental Protection Agency Policy Statement on Climate Change Adaptation: <http://www.epa.gov/climatechange/Downloads/impacts-adaptation/adaptation-statement-2014.pdf>

<sup>5</sup> For the purposes of this Guidance, “reasonably-anticipated climate changes” would be based on the latest National Climate Assessment information from the U.S. Global Change Research Program.

will be climate change impacts on each study area.

EPA's goal is to ensure that no later than FY 2020, the CCMP of each NEP will be informed by a broad, risk-based vulnerability assessment and will include appropriate responses to assessment findings.

To achieve this goal, in FY 2015 and in each of the following three fiscal years, EPA will provide funding (contingent upon availability) and technical assistance to help ensure that CCMP goals and annual work plan activities are not at high risk<sup>6</sup> from near- and long-term climate change impacts. NEP CCMP goals or work plan activities would be at "high risk" if impacts from climate change stressors are very likely to keep the NEP from achieving its goals and fully implementing its annual work plan. Those goals and activities also would be at "high risk" if it is expected that the consequence of stressor impacts will be significant (see the discussion of "red risks" in the *Being Prepared for Climate Change* workbook).

EPA strongly encourages each NEP to take advantage of the EPA-provided resources noted above by: (1) conducting a broad, risk-based climate change vulnerability assessment<sup>7</sup>, i.e., a planning-level qualitative analysis, of its CCMP no later than FY 2018 (that vulnerability assessment will help the NEP answer questions about how any of the climate change stressors identified above could affect the NEP's ability to achieve its CCMP goals and provide its intended benefits)<sup>8</sup>; (2) integrating vulnerability assessment findings and planned response approaches into a revised/updated CCMP by 2020; and (3) implementing specific response activities via annual work plans as necessary.

More information about how to conduct a broad, risk-based vulnerability assessment and incorporate climate considerations into CCMP revisions and updates will be provided via a Fact Sheet, the annual NEP Workshop, and through one on one consultation over several months. Also, **Section VI.A** and **Appendix 2** of this document provides basic information about how to conduct broad, risk-based vulnerability assessments and how to incorporate climate considerations into CCMP

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<sup>6</sup> See the CRE Workbook entitled *Being Prepared for Climate Change: A Workbook for Developing Risk-Based Adaptation Plans* for a definition of "high risk".

<sup>7</sup> A broad, risk-based vulnerability assessment will identify the risks from climate change impacts to achievement of an NEP's CCMP goals.

<sup>8</sup> The CRE Workbook entitled *Being Prepared for Climate Change: A Workbook for Developing Risk-Based Adaptation Plans* describes how to create a broad, risk-based climate change vulnerability assessment. The CRE Workbook has four checklists to help identify which climate change risks an NEP might face. A risk-based vulnerability assessment would be used to answer questions about how any of seven classes of climate change stressors—warmer summers, warmer winters, warmer waters, increasing drought, increased storminess, sea level rise, and ocean acidification—could affect the ability of an NEP to achieve its CCMP goals.

revisions and updates.

- 5. Completed Major Projects: Provide the following information for each completed major project.** Each NEP must report on the following elements for all major projects that were completed during the previous work year, i.e., in the FY 2015 work plan, the NEP must report on all major projects completed during FY 2014; in the FY 2016 work plan, the NEP must report on all major projects completed during FY 2015.

- **Project/activity Name**
- **Project/activity Objective**
- **Brief Project Description**
- **Lead Implementer; Partners and Their Roles**
- **Accomplishments and Deliverable(s):** describe what changed as a result of project implementation, providing quantitative data on outcomes and/or environmental results wherever those data are available.
  - Highlight results of completed major projects that addressed FY 2012 – FY 2013 NEP Funding Guidance areas for special consideration: (1) nutrient pollution, and (2) climate adaptation/vulnerability assessment.
  - Highlight success stories and examples of transferable activities and tools.
- **Amount of §320 grant/cooperative agreement** funds spent on project implementation.
- **Expected Long-term Outcomes**
- If applicable, the NEP should describe the primary or significant role it played in implementing a **CWA core program project**; use the following descriptions adapted from the 2011 NEP Program Evaluation Guidance:
  - Primary role: The NEP played the central role implementing a CWA tool.
  - Significant role: The NEP actively participated in, but did not lead, implementation of a CWA tool (e.g., the NEP worked with a partner to replace aging septic systems).
- If applicable, the NEP should describe **external constraints** related to any/all of the following elements and how the NEP addressed those constraints:
  - overall work plan implementation and attainment of project-specific objectives;
  - achievement of project milestones and/or ability to produce deliverables; and
  - which adaptive management strategies the NEP used to address those constraints.

#### **B. Required Documentation of CWA §320 Funds Used for Travel**

- EPA considers personal, face-to-face contact with peers and colleagues an invaluable way to share information and implement good technology transfer. The Agency also considers technology transfer from NEPs to other communities essential to promoting coastal watershed protection. If necessary, CWA §320 funds may be used to fund travel for the purpose of information sharing and technology transfer among stakeholders, partners, and other NEPs.
- A plan for the coming year's travel supported by EPA and using CWA §320 funds should be included in the work plan. The FY 2015 travel plan should prospectively identify the



following. The same items should be prospectively identified for the FY 2016 work plan:

- Proposed travel dates
  - Name of each meeting/event
  - Purpose of each proposed trip
  - Trip destination
  - Estimated number of staff traveling to each meeting/event
  - Estimated cost of each trip
- NEPs must also document travel taken during the previous Federal fiscal year that was paid for with CWA §320 funds and matching funds. Documentation must identify:
    - Each trip taken
    - Trip Purpose
    - Destination
    - Number of staff who traveled
    - Final trip cost
  - Since NEP annual work plans are developed, approved by Management Conferences, and submitted to Regional Offices before the end of the current annual work plan year, the NEP needs to include in the annual work plan submission an estimate of the CWA §320 travel that is expected to occur between the date of submission and the end of the current annual work plan year.
  - An NEP may use CWA §320 funds and matching funds to cover the cost of travel by staff and/or stakeholders from other NEPs or watershed organizations who collaborate with the NEP on issues of common interest. Stakeholders may include members of the general public and of environmental and public interest organizations, business or industry representatives, academicians, scientists, and technical experts.
  - CWA §320 funds and matching funds may be used to cover costs associated with attending conferences, meetings, workshops, or events that advance CCMP implementation. CWA Section 320 funds also may be used to cover the cost of projects described in the annual work plan and the cost of renting facilities.
  - Note that when using CWA Section 320 funds for travel, NEPs should use the least expensive means of travel whenever possible.
  - CWA §320 and matching funds may not be used to cover the travel costs of Federal employees.

## IV. Expedited Obligation and Expenditure of §320 Funds

### A. Expediting Funds Obligation

Federal government policy promotes the expedited obligation of Federally-appropriated funds. This Funding Guidance document supports implementation of that policy by calling for the expedited obligation of §320 funds as described below:

- EPA recommends that NEPs begin work plan development in the fall, before the current fiscal year annual Appropriations Act is signed and before funding allocation information is available. In general, NEPs are encouraged to base early work plan drafts on the previous year's final work plan. Note that work plans should target proposed projects that could be completed in two years (i.e., pursuant to the goal of expediting obligations and expenditures; see section **IV.B** -- Expediting Funds Expenditure below).
- Once EPA Headquarters provides annual funding allocation information, NEPs should finalize draft work plans as soon as possible and provide them to Management Conferences for review and approval consistent with agency grant and competition policies and Management Conference schedules. Work plans must be submitted by the NEPs to the Regions and Headquarters no later than June 1, 2015, and June 1, 2016 (see Figure 1 on page 2).
- If, during the course of Regional review of the full NEP base grant application, the Region proposes significant revisions to the draft work plan, the Management Conference should be made aware of those revisions in a timely manner.

### B. Expediting Funds Expenditure

The Federal government also has made expedited funds expenditure a priority. EPA strongly urges its assistance agreement recipients, including the NEPs, to spend down funds in an expeditious manner, implementing and completing **projects** whenever possible within two years of the assistance award date. NEPs should consider taking one or more of the following steps to ensure timely funds expenditure for project implementation.

- NEPs are required to include the information described in section **IV.B** below **for each project proposal**, with the exception of long-term infrastructure upgrade, targeted research, or complex restoration project proposals.
- EPA encourages NEPs to consider breaking up long-term projects into two or more grants comprising sub-projects with shorter project periods.

- No-cost extensions to project grants are discouraged. If and when an NEP anticipates difficulties in completing projects within planned project periods, the NEP should immediately discuss with the NEP Regional Coordinator what steps it plans to take to expedite the expenditure of its unspent project funds.
- If a project is completed at a cost that is less than the budgeted amount, the NEP should notify the EPA Regional Coordinator how remaining project funds have or will be re-allocated so that all available funds can be drawn down during the project period.
- To the extent that an NEP uses §320 funds for salaries or operating funds, EPA strongly encourages the NEP to spend down those funds within one year of the grant award date. However, if the planned expenditure rate for those costs is slower than originally planned due to unanticipated circumstances, e.g., a staff position becomes vacant and remains unfilled for a period of time, the NEP should advise the NEP Regional Coordinator that funds will not be completely spent down within one year of the grant award date and provide the reason and a plan for expenditure.

## V. Federal Government Performance and Results Act (GPRA) Reporting Requirements

Government Performance and Results Act (GPRA) requires Federal programs to annually depict their progress toward meeting established program goals, Strategic Plan performance measures, and internal agency targets. **Figure 2** provides the deadlines for NEP GPRA reporting.

**Figure 2: FY 2015 and FY 2016 GPRA Reporting Deadlines**

Deliverable	Due Date	Recipient
Habitat Data (NEP Entries in NEPORT) <sup>9</sup>	September 4, 2015 September 5, 2016	NEPORT Database
Leveraged Funds Data (NEPORT Submission)	September 4, 2015 September 5, 2016	NEPORT Database
Regions Review and Approve NEP Data in NEPORT	September 21, 2015 September 21, 2016	NEPORT Database

### A. Environmental Results

EPA's *FY 2014-2018 Strategic Plan*, Goal 2: Protecting America's Waters includes an annual performance target for the number of habitat acres protected and restored by all 28 NEPs. To

<sup>9</sup> NEPORT is the NEP Online Reporting Tool. NEPs input data into the NEPORT database. Regional Coordinators will review and approve NEP input.

depict these environmental results, EPA requires each NEP to report on habitat protected and restored by the NEP and its partners between October 1 and September 30 of the current Federal fiscal year. Please note that EPA reports these data to the Office of Management and Budget and to Congress and posts them on the EPA website. NEPs also report these data as environmental results in NEP Program Evaluation documents that are made available to the public, including NEP stakeholders.

Habitat data entries must meet the following requirements to ensure accuracy and transparency. Headquarters will provide additional information to all NEPs and Regions about FY 2015 and FY 2016 data entry requirements no later than June 30, 2015 and June 30, 2016, respectively. Data become “final” after Regional Coordinators and EPA Headquarters staff officially approve habitat and leveraging data.

- On-the-ground habitat protection and restoration project descriptions **should only address work completed** during Federal FY 2015 or FY 2016. **Note:** the habitat work reported in NEPORT **must be tied** to an action in an NEP’s CCMP. In cases where the habitat work is done by a sub-grantee or contractor, the NEP should report only the acreage protected and restored **after the habitat-related work has been completed**, not when the sub-grant or contract is awarded.
- **Entries must be complete**, i.e., data must be entered in each required field for every project.
- **Data for each project should be aligned** across all relevant fields, e.g., data entered into the Project Description field should be consistent with data entered into the Restoration Technique and Habitat fields.
- **Entries should reflect data for the entire Federal fiscal year;** NEP submissions are due in early September but must include habitat data for the entire reporting period, i.e., for the period October 1, 2014 through September 30, 2015, and for the period October 1, 2015 through September 30, 2016. NEPs that need to estimate the number of acres to be protected and restored between the submission due dates shown in Figure 2 and the end of each reporting period must include that estimate in the data totals entered into NEPORT.
- **NEPs must comply with submission deadlines;** each NEP is required to enter all data by the deadlines of September 4, 2015 and September 5, 2016. Unless there is a documented malfunction of the NEPORT system that prevents data entry as described in this document, **NEP data not entered by the dates shown in Figure 2 will be excluded from the final habitat acreage tally.**
- A link to NEPORT is available at: <https://yosemite.epa.gov/water/neport.nsf> (enter your name and password)

- A link to NEPORT *Frequently Asked Questions* and *HELP* documents is available at: <https://yosemite.epa.gov/water/neport.nsf/helpview>
- For more information, please contact Nancy Laurson at: (202) 566-1247 or via e-mail at: [laurson.nancy@epa.gov](mailto:laurson.nancy@epa.gov).

## B. Leveraged Resources<sup>10</sup>

- As part of CCMP implementation, each NEP works to ensure its long-term financial sustainability by pursuing leveraging opportunities; i.e., financial or in-kind resources committed above and beyond the Federal funding provided under the §320 grant. Leveraged resources include both resources that are administered by the NEP and those that are not. Leveraged resources are a performance measure in EPA's Strategic Plan. As in previous years, EPA Headquarters requests each NEP to report annually on those resources. Leveraging reports **are not** to include information for projects that would have been implemented without the NEP, e.g., projects that pre-date NEP involvement.
- Report leveraged resources information using NEPORT; links to NEPORT can be found at <https://yosemite.epa.gov/water/neport.nsf> (enter your name and password). The NEP and its partners may have to calculate a total for the reporting year by estimating the amount of leveraged resources between September 1 and September 30 of FY 2015 and between September 1 and September 30 of FY 2016. NEP Regional Coordinators will conduct a preliminary review and approve data prior to EPA Headquarters approving the data. Unless there is a documented malfunction of the NEPORT system which prevents entry of data during the entry period, EPA requires each NEP to enter its completed leveraged resources reports into the NEPORT system by September 4, 2015 and by September 5, 2016.
- **NEP Leveraging Role Definitions and Examples**--NEP Directors and staff should use the following leveraging role definitions and examples to help them when entering NEP leveraging data into NEPORT. Please clearly explain the role the NEP played in obtaining the leveraged resources in NEPORT Field #3 (Project Description).

**Primary role definition:** the NEP Director, staff, and/or committees played the central role in obtaining leveraged resources that helped implement the CCMP.

For example, the NEP Director, staff, and/or committees:

- wrote a grant proposal that helped fund the implementation of a CCMP action;

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<sup>10</sup> Leveraged resources are those financial or in-kind resources above and beyond §320 assistance agreement funds and earmarks or line items that an NEP Director and staff had a role in directing toward CCMP implementation. Leveraged resources include resources administered by the NEP or NEP partners. Examples include §320 match, grants obtained by an NEP, and bonds that an NEP played a role in directing toward CCMP implementation--from the Coastal Management Branch July 2014 document *Frequently Asked NEPORT Questions*.

- convened a workgroup that created a stormwater utility that raised funds for CCMP implementation;
- organized meetings with State, local government, and/or the public on the importance of habitat restoration that led to the funding of habitat restoration actions in the CCMP;
- partnered with stakeholders so that non-NEP resources (e.g., Supplemental Environmental Project funds) were directed to CCMP activities;
- solicited and received funds and in-kind support for NEP operations (e.g., office space); or received CCMP project funds from partners based on NEP's demonstrated ability to execute work.

**Significant role definition:** the NEP Director, staff, and/or committees actively participated in, but did not lead, the effort to obtain additional resources for CCMP implementation.

For example, the NEP Director, staff, and/or committees:

- wrote parts of a grant proposal that was funded to help implement the CCMP;
- provided matching funds that partners needed to obtain grants to help implement the CCMP;
- established a local land trust that raised money for CCMP implementation;
- actively participated in a stormwater utility workgroup that raised funds for CCMP implementation;
- developed lists of lands for acquisition to help implement the CCMP and funders used these lists to make acquisition decisions; or
- developed a list of priority projects that others use to secure grants that helped implement the CCMP.

**Support role definition:** the NEP Director, staff, and/or committees played a minor role in channeling resources toward CCMP implementation.

For example, the NEP Director, staff, and/or committees:

- wrote a letter of support for a partner grant application that helped fund CCMP action(s);
  - included habitat acquisition as a CCMP action, but other entities raised funds and identified lands for acquisition;
  - included invasive species as a CCMP action, but other entities conducted activities that resulted in eradicating invasive species in the watershed; or
  - included climate change adaptation as a CCMP action, but other entities conducted activities that helped implement this action.
- Please note that NEP Regional Coordinators have responsibility for conducting quality assurance/quality control reviews needed to ensure the accuracy of reported leveraging data. NEP Regional Coordinators should make every effort to ensure that the data are

accurate and be comfortable with an NEP's explanation of the role it played in obtaining leveraged resources. The role information should be clearly explained by the NEP in NEPORT Field #3 (Project Description).

## VI. Additional National Estuary Program Policies

### A. CCMP Revisions and Updates

The CCMP is a living document, and EPA recommends that each NEP review its CCMP every three-to-five years to determine whether a revision or update is needed to keep the CCMP relevant. If **major** changes are needed, the CCMP should be **revised**. If **minor** changes are needed, the CCMP should be **updated**.

- **Timing**
  - EPA recommends that **by September 30, 2015, those NEPs that have never revised their CCMPs will start to revise them**. By the end of FY 2018 (September 30, 2018), each NEP is strongly encouraged to have revised its CCMP at least once.
  - To ensure that CCMPs continue to be relevant, EPA recommends that each NEP revise its CCMP at least once every ten years.
- **CCMP Revision**
  - If one or more of the following applies to a CCMP, EPA recommends that an NEP revise its CCMP:
    - a significant number of CCMP action plans have been completed;
    - significant new environmental data have led the management conference to conclude that new priorities, goals, objectives, and action plans need to be developed to achieve better environmental results in the study area;
  - **CCMP goals have yet to be evaluated for their vulnerability to climate change.** A revised CCMP should include revisions to the following sections of the original CCMP:
    - monitoring plan,
    - finance plan,
    - education/outreach, and public involvement strategies, and
    - habitat protection/restoration plan; **a revised habitat protection/restoration plan should reflect the results of and planned responses to a broad, risk-based climate change vulnerability assessment.**
  - A revised CCMP should include the following:
    - new priorities, goals, objectives, and action plans,
    - new action plans that indicate:
      - 1) whether they replace or enhance former plans,
      - 2) which entities will serve as lead implementers,
      - 3) a timeline and milestones for completion, and

- 4) performance measures (quantitative/environmental results measures wherever possible).
- **EPA expects that all CCMPs revised by the end of FY 2020 will be informed by a broad, risk-based climate change vulnerability assessment. See Appendix 2 for guidance on integrating vulnerability assessment results into revised CCMPs.**
- **CCMP Update**
  - If minor changes to a CCMP are needed, the CCMP should be updated.
    - Examples of changes that would prompt an NEP to update its CCMP appear below:
      - 1) new environmental data that could have a significant impact on some NEP activities have become available;
      - 2) some aspects of action plans have changed; for example, a new entity has taken on the role of lead implementer, timelines for action plan completion have changed, or cost estimates have been revised.
  - The update can take the form of: (1) an Addendum to the current CCMP; (2) a Strategic Plan that serves as a companion piece to the CCMP; or (3) revisions to select action plans in the current CCMP.
  - An updated CCMP should include the following:
    - any revised/new goals, objectives, and action plans; note that new action plans should indicate whether they are replacements for or enhancements of former plans (just put in red to note on new line);
    - a list of the entities that will serve as lead implementers;
    - a timeline and milestones for completion; and
    - performance measures (quantitative/environmental results measures wherever possible).
  - **EPA expects that all CCMPs updated by the end of FY 2020 will be informed by a broad, risk-based climate change vulnerability assessment. See Appendix 2 for guidance on integrating vulnerability assessment results into updated CCMPs.**
- **EPA Notification and Concurrence for CCMP Revision and Update**
  - NEPs should notify EPA Headquarters when a management conference has decided to revise or update its CCMP. NEPs should also keep Headquarters apprised of progress in revising or updating the CCMP.
  - The relevant EPA Regional office and Headquarters will concur on all CCMP revisions or updates developed by the Management Conference.



## **B. Required National Meeting Attendance**

Every NEP Director **is required** to attend:

- the annual NEP national meeting held in the Washington, D.C. area,
- any EPA Region - NEP meetings convened by a Regional Administrator or his/her designee,
- any scheduled NEP workshop directly targeting a specific NEP.

Each annual assistance agreement must include a Programmatic Term and Condition indicating that as a requirement of that Agreement, the grantee Director (NEP Director's name) is required to attend all national or Regional meetings called on behalf of the program. The Programmatic Term and Condition should also indicate that under extenuating circumstances such as a family emergency or a conflict in meeting dates caused by a previously-scheduled event, an NEP Director may delegate attendance at a required EPA meeting to a senior staffer from that NEP.

## **C. NEP Program Evaluation**

EPA issued an update of the September 28, 2007 NEP Program Evaluation Guidance on August 31, 2011. The update announced that the cycle of Program Evaluations had been extended from three to five years, and featured a change to one reporting element. The new Program Evaluation five-year cycle began in FY 2012. Seven Programs will be evaluated during each of the following Federal fiscal years--2012, 2013, 2014, and 2015--such that all 28 programs will have been evaluated once over the Federal fiscal year period of 2012 - 2015. No evaluations will be conducted during the fifth year of the cycle--Federal fiscal year 2016. During Federal fiscal year 2016, a report summarizing the results of all 28 evaluations will be prepared and issued.

## **D. Use of §320 Funds for Land Purchase**

Purchase or acquisition of land, including appraisals, and its operation and maintenance is an allowable use of §320 funds if purchase/acquisition is identified as one type of an action or activity in an approved CCMP. Also, real property (land) may be used as match if the land was not purchased or acquired using §320 or other Federal funds and if the way the land will be used as described in an approved CCMP. Please consult with your NEP Regional Coordinator and Regional Grants Project Officials for information about the appropriate documentation required for real estate transactions and for use as match.

## **E. Fund-raising vs. Grant Writing**

Non-profit organizations, State, local, and Tribal governments are prohibited from conducting fund-raising activities with Federal funds. Examples of fund-raising activities are silent

auctions and fund-raising dinners. These activities, and staff time dedicated to their planning and implementation, may be conducted only if paid for by non-Federal, non-match monies. Since fund-raising is a prohibited activity, NEPs should not propose fund-raising activities as §320 work plan activities.

Conversely, NEP proposal writing or grant application development whose purpose is to fund CCMP implementation projects is a permitted activity and is not considered to be a type of fund-raising. NEPs are permitted to charge grant writing and proposal writing to their grants, since they are required to plan and implement which activities require financial resources and grant writing is necessary to identifying those resources. Grant/proposal writing costs are typically charged to a grant only as indirect costs (grant writing is considered a component of administrative tasks, which are built into a grant's indirect cost estimate). But, they can be categorized as direct costs as long as they are expressly approved by the NEP Regional Coordinator.

#### **F. Prohibition on Use of §320 Funds by Association of National Estuary Programs (ANEP)**

As stated in previous Funding Guidance documents, **ANEP membership, services, and lobbying activities must be paid for by non-Federal sources and cannot be used as match** for funds received from EPA under CWA §320 authority. EPA considers ANEP to be an important organization for building public awareness about and promoting technology transfer of approaches and tools to enhance estuarine and coastal resource protection and restoration. However, with respect to membership dues or services and lobbying activities, it is important to clearly demonstrate that ANEP: (1) is independent of EPA, (2) does not receive Federal funds allocated by EPA, and (3) is viewed as independent by its members and the public. EPA will notify each NEP of any changes to this policy.

## **VII. Conclusion**

A complete SF 424 FY 2016 application, including the Management Conference-Approved Work Plan, is due to your NEP Regional Coordinator **no later than June 1, 2015**. An electronic copy of the complete SF 424 application **also must be provided** both to Bernice L. Smith, Coastal Management Branch Chief, and to the appropriate EPA NEP Headquarters Coordinator.

If you have any questions or need further information, please contact me at (202) 566-1244 or via e-mail at [smith.bernicel@epa.gov](mailto:smith.bernicel@epa.gov).

cc: Benita Best-Wong  
Dave Evans  
Paul Cough  
Ann Campbell  
Office of General Counsel  
National Estuary Program Regional Coordinators  
National Estuary Program Headquarters Coordinators

## APPENDIX 1

### Explanation of Match Requirement and of Cost-Share

- **Match Requirement**

§320 requires a one-for-one match, i.e., 50 percent of an NEP's aggregate funding, split between Federal and non-Federal funds for each annual assistance agreement awarded under §320. The §320 assistance agreement recipient is responsible for ensuring that this 50 percent match requirement is met. If a recipient's structure includes multiple organizations which each receive a portion of the annual §320 allocation, the combined match provided by those organizations must meet the §320 50 percent match requirement. Recipients of §320 assistance agreement funds are required to show how they will match those funds over the project period, i.e., the match must be verifiable (well documented) and identified in the assistance agreement approved budget. At the end of a project period, the total match provided by the NEP grantee is required to equal the total amount of §320 funds received during that period.

- **Cost-Share**

Cost-share can be in the form of cash or in-kind contributions or services with the following caveats:

- Other Federal agency or other EPA funds may not be used as cost-share for funds provided under §320.
- Project partner or other government agency staff serving in a professional capacity on NEP committees can be counted as match as long as they are not paid by the NEP or counted as match for another Federally-assisted program.
- In-kind contributions are resources like staff time, space and equipment (e.g., office/lab space, photocopiers), or other services provided by partners in support of Management Conference activity such as CCMP implementation and revising a CCMP.
- Volunteer services may be used as in-kind match if they are integral to and a necessary part of a project. Those services must be provided by a volunteer who has the requisite skill; has received relevant, project-specific training by the NEP; or is professionally qualified to carry out a specific task (e.g., a carpenter who volunteers to construct a wooden boardwalk). Services provided by volunteers who do not have project-specific skills and training or who lack professional qualifications to carry out specific tasks **may not be considered** as in-kind match.
- It is important to develop and maintain a recordkeeping system that depicts how both professional staff and volunteer time is allocated to each Program activity and project. The system should depict the dollar value of services provided by both professional and volunteer staff for each work plan activity on which they work.

## APPENDIX 2

### Conducting Broad, Risk-based Vulnerability Assessments and Integrating Climate Change Considerations into a Revised or Updated CCMP

- A broad, risk-based climate change vulnerability assessment determines the risks from each relevant climate stressor to achievement of every CCMP goal.
- Vulnerability assessments of risks to CCMPs would be based on the latest National Climate Assessment projections about how much the climate is expected to change in each NEP study area.
- The assessment could find that no CCMP goals or actions are at risk from any relevant climate stressors. But, it is more likely that an assessment would find that one or more climate stressors will constrain achievement of various CCMP goals.
- Follow-up to a vulnerability assessment which finds that any CCMP goals are at high risk<sup>1</sup> could include taking some of the following response approaches:
  - adopting revised CCMP goals that are ambitious and attainable given projected climate change impacts but which are not subject to high risks;
  - undertaking work plan projects intended to mitigate risks; work plans do not need to be safe, risk-averse, low-reward efforts; rather, work plan projects should be those that are not at high risk of failure due to projected climate change impacts; and
  - dropping CCMP goals that are at high risk or are no longer attainable.

See the CRE *Being Prepared for Climate Change* workbook, which can serve as a guide for how to conduct a broad, risk-based climate change vulnerability assessment of an NEP CCMP and how to follow up on assessment findings by incorporating risk reduction options into a revised or updated CCMP.

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<sup>1</sup> See the *Being Prepared for Climate Change: A Workbook for Developing Risk-Based Adaptation Plans* for a description of “high-risk”.

## **APPENDIX 3**

### **I. Important Assistance Agreement Orders and Policies; Other Policy Updates**

While there is currently no mandatory requirement that EPA Program Offices check the Grantee Compliance Database and/or contact prior grantors when evaluating applicants under the past performance evaluation factor in competitions, the GCA's office recommends that under certain circumstances, as described below, EPA Program Offices should check the database (and consider contacting prior grantors) for past performance evaluation purposes and not just rely on the information provided by applicants in their proposals. Checking the database may be even more important in the future once the new OMB grant reform guidance goes into effect because that requires that "risk" be reviewed for all competitive awards and risk based elements include applicant past performance and reporting history. Accordingly, while Program Offices may check the database and contact prior grantors in all of their competitions, at a minimum, the GCA's Office recommends that the database be checked under competitions where:

1. There are not a large number of applicants so it would not be burdensome to check the database for all applicants.
2. It is a recurring competition (e.g., one done regularly) so there may be relevant information in the database about an applicant's past performance under prior grants for the program
3. It is a competition where the applicant pool is composed of prior EPA grantees
4. There is some ambiguity or concerns with the past performance information provided by the applicant in its proposal that calls for further supplementation or verification through consulting the database and/or prior grantors. In these cases, because of resource and other constraints, it may not be practicable to check the database (or contact prior grantors) for all the competing applicants--Program Offices may therefore decide to check the database or contact prior grantors only for those applicants where there is some question or concern with the past performance information provided in their proposal.

If the competition is geared to new applicants (e.g., applicants who do not have any prior EPA grants), or the applicant pool is composed of applicants who have no prior EPA grants, then there is no need to check the database.

As noted above, while not mandatory, Program Offices can check the database and/or contact prior grantors in all their competitions if that is what they want to do. However, in light of resource and other constraints that may not be practicable in all cases and that is why we have identified factors above that should guide Program Offices in determining when to consult the database and/or prior grantors. We will include this guidance in our past performance guidance posted on the competition website. If you have any questions, please call the GCA's office.

#### **A. Orders and Policies Issued Since October 2010.**

The following information highlights policies that apply to EPA assistance agreements awarded after October 2010, including NEP FY 2011 agreements. Detailed information about and copies of the policies are available at the listed websites, and Regional Grants Officials are available to provide additional clarification and guidance on the policies.

1. Grants Policy Issuance 11-01—Managing Unliquidated Obligations and Ensuring Progress under EPA Assistance Agreements.

**Purpose:** To ensure that recipients of assistance agreement funds like the NEPs spend those funds and make progress implementing their work plans in a timely manner.

- Several EPA resource management offices are increasing their scrutiny of the pace of assistance agreement expenditures. EPA’s Office of Grants and Debarment has developed this new policy to promote more rapid expenditure of assistance agreement funds and to reduce unliquidated obligation balances. It requires that every assistance agreement include the following standard national Term and Condition language:

“EPA may terminate the assistance agreement for failure to make sufficient progress so as to reasonably ensure completion of the project within the project period, including any extensions. EPA will measure sufficient progress by examining the performance required under the work plan in conjunction with the milestone schedule, the time remaining for performance within the project period, and/or the availability of funds necessary to complete the project.”

- See Policy 11-01 at:  
[http://www.ogd/policy/final\\_grants\\_policy\\_issuance\\_11\\_03\\_state\\_grant\\_workplans.pdf](http://www.ogd/policy/final_grants_policy_issuance_11_03_state_grant_workplans.pdf)

2. Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements for Sub-award and Executive Compensation.

**Purpose:** To describe new Federal reporting requirements for EPA assistance agreement recipients.

- If, during the preceding fiscal year, a prime recipient or sub-recipient **meets all three criteria** listed below, then for each sub-award of \$25,000 or more that the recipient provides, the recipient must enter into the FFATA Subaward Reporting System (FSRS) the total compensation of its five most highly-paid executives:
  - the recipient received 80% or more of its annual gross revenue in Federal procurement contracts and financial assistance, **and**
  - the recipient received \$25,000,000 or more in annual gross revenues from Federal procurement contracts and financial assistance, **and**
  - there are no regularly-filed, publicly-available reports depicting the total compensation of the recipient’s five most highly-paid executives.
- The policy is available at: [www.epa.gov/ogd/](http://www.epa.gov/ogd/) and at: <http://usaspending.gov/news>

## B. Current Food and Promotional Item Policies

### 1. Food Policy

**Purpose:** To describe allowable costs for light refreshments and meals at meetings, conferences, training workshops, and during outreach events like those sponsored by NEPs.

- Unless otherwise prohibited by the terms of the agreement, costs for Light Refreshments and Meals at meetings, conferences, training workshops, and outreach activities (events) are allowable under the OMB Cost Principles if reasonable and necessary for performance of an activity described in the scope of work of an assistance agreement. Determinations regarding the reasonableness and necessity of costs for light refreshments and meals will be made on a case by case basis. Guidelines for cost determinations are as follows:
  - **Eligibility Determination:** To be eligible for funding under assistance agreements, the light refreshment and meal costs must not be prohibited by statute, regulation, appropriation, or program guidance. This includes program guidance contained in a grant solicitation or the terms of the assistance agreement.
  - **Purpose Determination:** To be eligible for funding under assistance agreements, the purpose of the event must be to: (1) disseminate environmental information, (2) offer environmental or public health education, (3) discuss environmental science, policy, or programs, (4) conduct outreach to the public on environmental concerns or issues, (5) obtain community involvement in an activity described by the EPA approved scope of work, or (6) be otherwise necessary for the recipient to carry out the EPA approved scope of work. At least one condition above must be met for a purpose determination.
  - **Time Determination:** The length or timing of the event must be such that light refreshments or meals are necessary for the effective and efficient achievement of its purpose.
  - **Budget Determination:** To be eligible for funding under assistance agreements, the costs for light refreshments and meals must be identified in the budget in order to determine the reasonableness for costs on a per event basis.
  - **Reasonableness Determination:** The recipient must demonstrate that the costs for light refreshments and meals are reasonable given such factors as the purpose of the event and costs for similar publicly funded business events at the facility. If the recipient cannot establish that the costs for meals and light refreshment represent prudent expenditures of public funds, the costs are unallowable.
- Note that costs for light refreshments and meals for recipient staff meetings and similar day-to-day activities are not allowable under EPA assistance agreements. When a recipient's scope of work provides information sufficient for the project officer to determine that the costs for light refreshments and meals are allowable under these standards and the Award Official approves the scope of work, the costs



are allowable if otherwise reasonable (e.g., the prices for light refreshments and meals are not excessive).

## 2. Advertising and Public Relations Costs

**Purpose:** To describe allowable costs for promotional items and for public relations.

- Section 320 funds may be used to purchase promotional items and to fund public relations expenses that are included in an NEP's EPA-approved scope of work or detailed budget. Note that it is costs for promotional items and other advertising and public relations costs that are "specifically required" to perform work under the grant that are allowable. For example, Section 320 funds can be used to purchase promotional items for a conference or to communicate an environmental message if those activities were included in an EPA-approved scope of work.
- If a grantee indicates in the scope of work or detailed budget that it will purchase promotional items (e.g., for a conference in order to convey an environmental message) or incur other advertising and public relations costs, and EPA approves the scope of work/budget, the costs are allowable if otherwise reasonable (e.g., the per unit price for the items are not excessive). Detailed information regarding (1) allowable advertising and public relations costs, (2) unallowable advertising and public relations costs, and (3) requirements in determining whether costs are allowable under more than one Federal award is provided in the OMB Cost Principles.

## C. **Highlights of Major Assistance Agreement Policies and Orders Applicable to NEPs (from previous Funding Guidance Documents)**

1. EPA Order No. 5700.7A1--"Environmental Results Under EPA Assistance Agreements"-- establishes policy for addressing environmental results under EPA assistance agreements. This Order can be accessed at:  
[http://www.epa.gov/ogd/epa\\_order\\_5700\\_7a1.pdf](http://www.epa.gov/ogd/epa_order_5700_7a1.pdf).

Note the following clarifications about information collection and renewal of existing information collections:

- Description of an "Information Collection Request" (ICR): An ICR is a set of documents **that must be submitted by a Federal** agency to the Office of Management and Budget (OMB) for approval before that agency can legally collect information from the public. Without approval, enforcement of the collection may be at risk. A completed ICR provides an overview of the collection effort, including what information will be collected, why the information is needed, what members of the public would need to respond to the information collection request, and what is the estimated burden the request would place on the public.
- For NEPs that receive **cooperative agreement** assistance funding under Section 320:

- If the recipient's scope of work includes a survey or the collection of identical information from ten or more non-Federal respondents within a 12-month period, **and** cooperative agreement funding will be used, then **the EPA Project Officer, i.e., the NEP Regional Coordinator, must prepare and submit an ICR describing the survey** to the Office of Management and Budget (OMB) for review and approval;<sup>1</sup> This applies regardless of whether or not EPA has requested or influenced the design of the information collection.
  - If the recipient **does not charge** to its agreement the cost of designing and administering the survey, **and** EPA has not requested and/or helped design the survey, then **an ICR is not required**. Cooperative Agreement funds **may** be used for analysis of the survey data and publication of the results.
- For NEPs that receive **grant** funding under Section 320:
    - If the recipient's scope of work includes the survey/collection of identical information from ten or more persons **and** EPA has requested or wants to influence, design, or develop survey activities, **the EPA Project Officer, i.e., the NEP Regional Coordinator, must prepare and submit an ICR** describing the survey to the Office of Management and Budget for review and approval.
    - If EPA has **not** directed an NEP grantee to conduct the survey or directed the survey design or implementation, OMB approval is not required.
  - Since it typically takes six to nine months to develop and obtain OMB approval for an ICR, NEPs should plan ahead and start the process early in order to allow sufficient time before the proposed activity is scheduled to begin. Additional information about the information collection provision appears at: <http://www.epa.gov/icr>
2. EPA Order No. 5700.5A1, "Competition in Assistance Agreements" went into effect on January 1, 2008. In 2007, the Agency had issued a "Policy on Sub-awards under EPA Assistance Agreements" that applies to sub-award work under awards and supplemental amendments issued after May 15, 2007. The policy clarifies sub-recipient eligibility, addresses sub-award competition requirements, and provides guidance regarding the distinctions between procurement contracts and sub-awards. For more information, see: <http://www.epa.gov/ogd/grants/regulations.htm>

Under the terms of this Order, CWA Section 320 grants provided to NEPs under the regulations at 40 CFR Subpart 35.9000 are exempt from competition (consistent with the understanding reached at an August 9, 2007 meeting between the Office of Water and the Office of Grants and Debarment). However, in determining the distribution of EPA funds, the Management Conference for each NEP may consider whether it would be feasible and practical to have EPA conduct a competition for certain projects. In

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<sup>1</sup> Under the Paperwork Reduction Act, Federal agencies obtain approval from the Office of Management and Budget (OMB) to collect information from the public. To comply with this requirement, Federal agencies must submit information collection requests explaining what information will be collected, why the information is needed, which members of the public would be asked to respond to the information request, and what estimated burden the request would place on the public.

considering the suitability of competition, the Management Conference may consider such factors as the nature of the project, whether competition could foster innovation, and cost effectiveness. Note that if EPA, at the direction of a Management Conference, competes a portion of an NEP's CWA Section 320 funds, EPA must compete the funds in compliance with the Competition Policy.

3. EPA Order 5700.8—EPA Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards. In October 2007, the Agency issued new National Term and Condition language requiring that staff from any non-profit whose application has been approved by a Region must complete mandatory on-line training before EPA will release award funds to the non-profit. The training--“EPA Grant Management Training for Non-Profit Applicants and Recipients”--must be completed by two of a non-profit's employees--the assistance agreement project manager and the staffer authorized to draw down funds. The training course can be accessed at:  
<http://www.epa.gov/ogd/grants/regulations.htm>

**D. Grants Policy Issuance (GPI) 10-01: Best Practices Guidance for the Allowability and Reasonableness of Certain Selected Items of Cost Under Assistance Agreements**  
Policy: This policy guidance addresses certain selected items of costs that are allowable and unallowable. Additionally, this policy guidance deals with the use of appropriated funds to purchase light refreshments and meals under assistance agreements awarded by EPA.

**1. Entertainment Costs**

- According to the OMB Cost Principles, the costs of entertainment are unallowable. The costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets, transportation, and gratuities) are unallowable.
- EPA grant funds may not be used for (1) evening receptions, or (2) evening banquets without a justification from the assistance recipient and express approval by an EPA Award Official.
- EPA considers evening receptions, banquets, or other events where alcohol is present to be entertainment. The Agency will not approve the use of grant funds for any portion of an event where alcohol is served, purchased, or otherwise available even if grant funds are not used to purchase the alcohol.

**2. Costs for Alcoholic Beverages**

- According to the OMB Cost Principles, the costs of alcoholic beverages are unallowable.
- Please note that EPA approval of the scope of work, work plan, or budget does not constitute approval of costs that would otherwise be unallowable based on the OMB Cost Principles. For example, EPA's approval of the budget for an event does not make costs for unallowable items such as alcohol or entertainment allowable.

**3. Fund Raising and Investment Management Costs**

- According to the OMB Cost Principles, the costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.

**4. Travel Costs**

- The expenses for transportation, lodging, subsistence, and related items incurred by employees and program participants who are in travel status on official business related to activities by the recipient may be allowable. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-Federally-sponsored activities.
- In the absence of a written organization policy regarding travel costs acceptable to EPA or the organization's cognizant audit agency, the rates and amounts established under regulations issued to implement subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses Mileage Allowances") by the Administrator of General Services, or by the President (or his or her designee) shall apply to travel under Federal awards. However, recipients may not use EPA funds to pay the travel costs of Federal employees.

**5. Program Participant Support Costs**

- Travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects are allowable with the prior approval of the Environmental Protection Agency (EPA) Award Official. An award with a work plan and budget containing or describing participant support costs demonstrates EPA approval. However, in the absence of specific statutory authority, Federal employees may not be program participants under EPA financial assistance awards.